

## Message Text

FN,4\$ZD'L>O.;W"/T!)6JWG  
37\$6IG#-8XR9NA|RI 7\$A  
I\*6HF6):\$6H:W  
'1L()=XZG>/'W-)E@((G)

7G)G R@;!AF;!AF; Y#;MJGDW6\_  
DB;<#WS<Q#-  
\$4,!\_TJ7.56876((FD@  
D'QX\_@P()YFZGR!) "FGW#\*@G.4QZ8KQAT|AM\_,MIXEMJDB)#H  
B:DJA)  
-"J75M >@IUPTRK\*AQ)J)|U?#N"@<4"/C@@ KQ)K  
WHXFQTQ<QA5F'>=#/R6(+FX-#AS  
|+AFIW)43#.D(RH1D#HI\_\*UPHU-K?PQ?(=8W.5A|6FH6A@HGS;E.H CH\_,3GK  
DA?\*K82?E0RC\$<C#PHXR  
UM |U#SH8R@-  
,D!8-UGRA@  
AJ7UCM@P<3D8DH3DQPI?(H#5  
KY?E),UX\*0W(+K;GF\*G(FD@:N)Q@G(FR;9Q@0P9D\*G\*FG M@8=E\*J+D#HIR9(.5Q@I-Y .\*+6I'W6I4\$/M5:SXRBG  
#A4=5+5M96!<(:<F5,+@//##UFW(|=47G0!\$!2F4\_WH?WNU.=MA0T28A<XD0E;  
QQ;A,9T6F#,WBR#KF9'Q)ZG! ,J:#T/-<7WJ:GQ5BG;  
HKV>Y@#"Q\$-6/# SW>>;6H\_,G64-G6  
RUHP9B#9\_:P  
)!+XEDQT!F)FWJX@0GR(63BN6D0@JFE;W.4A225MC2DD\$AFQ  
8Q@@@  
C#+T\_T(89'6 W D,<;DHP8 4FV  
D#HW\_;HP(I#2  
(J7W;P#H>R!041>T  
  
7G&9D(W6N,4\$)\_V>?;<\_  
D#  
MD(/@>\_6SH"SR2  
(6\*F/CB8FBB9J"RXE  
ATY+I;&

ADP000

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11  
ACTION EA-09

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 AID-05 COME-00 EB-07 FRB-03 TRSE-00 XMB-02

OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01 IGA-01 FS-01

ABF-01 A-01 /099 W

----- 048589

R 200250Z SEP 75

FM AMEMBASSY VIENTIANE  
TO SECSTATE WASHDC 5303  
INFO AMEMBASSY BANGKOK  
AMEMBASSY CANBERRA  
AMEMBASSY LONDON  
AMEMBASSY PARIS  
AMEMBASSY TOKYO  
AMCONSUL HONG KONG  
CINCPAC

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7. THEORETICAL REOPENING OF NBL HAS HAD LITTLE  
EFFECT ON SITUATION BECAUSE COMMERCIAL BANKS --  
NOTABLY VIENTIANE BRANCH OF BANQUE DE L'INDOCHINE  
(BIC) -- REMAIN CLOSED. BIC STAFF IS CONFINED TO  
BANK PREMISES; THIS APPLIED ORIGINALLY ONLY  
TO ACTING DIRECTOR ROBERT MISERY AND ONE STAFF  
MEMBER, BUT NOW EXTENDS TO ENTIRE FOREIGN STAFF.  
(THERE ARE APARTMENTS ABOVE BANK'S OFFICES, SO  
CONDITIONS OF CONFINEMENT ARE PRESUMABLY NOT TOO  
SEVERE.) HEADQUARTERS OF BIC HAS BEEN KEPT FULLY  
INFORMED OF DEVELOPMENTS HERE, ACCORDING TO FRENCH  
EMBOFF, BUT FOR NOW THERE IS ONLY SPECULATION WHETHER  
BIC WILL BE ALLOWED TO REOPEN OR WHETHER AFTER THIS  
EXPERIENCE BIC WILL WISH TO CONTINUE DOING BUSINESS  
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IN LAOS EVEN IF PERMITTED TO DO SO. (AS REPORTED TO  
DEPT BY MEMCON, MISERY TOLD ECON OFF SEPT 3 THAT BIC  
OPERATIONS IN VIENTIANE WERE NO LONGER PROFITABLE AND  
THAT VIABILITY OF CONTINUED OPERATIONS WERE UNDER  
DISCUSSION BETWEEN DIRECTOR, NOW ON HOME LEAVE, AND  
HQ OFFICIALS IN PARIS. ON SAME OCCASION, MISERY  
COMMENTED THAT OTHER THREE COMMERCIAL BANKS HERE, ALL  
LAO-OWNED, WERE FOR ALL PRACTICAL PURPOSES "IN BANK-  
RUPTCY" THEMSELVES.)

8. BRITISH AND SEVERAL OTHER EMBASSIES HAVE USED  
BANQUE D L'INDOCHINE EXCLUSIVELY AND THUS ARE WORSE  
OFF IN ALL OTHER RESPECTS THAN THIS EMBASSY,  
HAVING BEEN UNABLE TO OBTAIN EITHER KIP OR DOLLARS FOR

LAST TWO WEEKS. BRITISH HEAD OF CHANCERY/FEOP REP  
TOLD HIS FEOF COLLEAGUES SEPT 18 HE WOULD  
PROPOSE TO HIS AMBASSADOR THAT EMBASSY CHANGE MONEY  
TO MEET PAYROLL IN PARALLEL MARKET IF UNABLE TO DO  
SO LEGALLY THROUGH A BANK SEPT 18. HE WENT ON TO  
DESCRIBE MULTITUDE OF ADMINISTRATIVE BARRIERS THAT  
HAVE ARISEN CONCURRENTLY WITH LPF DOMINATION OF LAOS  
AND HAVE CUT DEEPLY INTO TIME AND STAFF AVAILABLE  
FOR TRADITIONAL EMBASSY WORK. HE CONCLUDED BY  
SAYING THAT IF IT WERE UP TO HIM PERSONALLY HE WOULD  
RECOMMEND THAT BRITISH EMBASSY CLOSE ITS DOOR.

9. THIS LED TO DISCUSSION OF WHO, IF ANYONE, IN  
VIENTIANE HAD AUTHORITY TO RESOLVE BANKING SITUATION  
IN PARTICULAR AND CUT RED TAPE IN GENERAL. BOUNSOUANE'S  
TENTATIVE ANSWER WAS THAT PHAO PHIMPACHANH, MEMBER  
OF LPF CENTRAL COMMITTEE AND JOINT NATIONAL POLITICAL  
COUNCIL WHO WAS INSTALLED AUG 23 AS CHAIRMAN OF  
REVOLUTIONARY ADMINISTRATIVE COMMITTEE FOR CITY OF  
VIENTIANE (IN EFFECT, MAYOR), HAD MOST AUTHORITY OVER  
SUCH MATTERS WITHIN THE CITY. WHEN CHALLENGED,  
BOUNSOUANE CONCEDED THAT PHAO WAS CLEARLY RANKED BY  
ACTING DEPPRIMIN/ACTING FONMIN PHOUN SIPRASEUTH BUT  
INSISTED THAT PHAO WAS STILL THE MAN TO SEE ON LOCAL  
ADMINISTRATIVE PROBLEMS. SEVERAL OF THOSE PRESENT  
POINTED OUT INCONSISTENCY OF BOUNSOUANE'S REPLY,  
HOWEVER ACCURATE, WITH RECENT PGNU FOREIGN MINISTRY  
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DIRECTIVE THAT EMBASSIES SHOULD NOT DEAL DIRECTLY  
WITH ANY OTHER LAO GOVERNMENT ENTITY.

10. FINAL FINANCIAL TOPIC WAS QUESTION OF  
RUMORED "MONETARY REFORM," I.E., WITHDRAWAL OF  
PRESENT VIENTIANE-SIDE KIP AND SUBSTITUTION OF  
"RED" OR LPF KIP. ONE VERSION REPORTED BY FEOF  
MANAGER IS THAT WHEN REFORM COMES>@D#HI&96>R/R8(FWHC!QH"K\$B )@HG9Q1IQ);|7A@CK2?@PM!P;U0  
0HZSK6I6Y\$CE\_;)CBFV  
\_D\*@A8QW!@/Z6\_UW,86  
54\$GWT)QF19U1AE\_(\*R,BM"EQ!(YUU\_ E)6QBAUY+I;&

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BLOCKED ASSETS, BANKS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 SEP 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975VIENTI05698  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750326-0668  
**From:** VIENTIANE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750931/aaaabber.tel  
**Line Count:** 150  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 VIENTIANE 5673  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:** ANOMALY  
**Review Date:** 27 MAY 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <27 MAY 2003 by BoyleJA>; APPROVED <28 MAY 2003 by GolinoFR>  
**Review Markings:**

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EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BANKING SITUATION IN LAOS  
**TAGS:** EFIN, EGEN, PFOR, LA, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006